REMARKS

In view of the following remarks responsive to the Final Office Action dated October 18, 2007, Applicant respectfully requests favorable reconsideration of this application.

In the present Office Action, the Office has maintained the rejection from the previous Office Action that all claims, claims 1-21, are obvious over Arora in view of Lewis.

I. The Rejection is Improper Because The Arora Publication Is Not Prior Art

Applicant had previously argued that the Arora published patent application (hereinafter the Arora publication), per se, is not prior art to the present invention. Applicant, however, acknowledged that the provisional application to which Arora claims priority (hereinafter the Arora provisional application) is prior art and that, if it contained the same subject matter of Arora upon which the Office is relying, then the present rejection would stand or fall based on the substantive merits of the rejection. However, if the provisional did not contain the same subject matter, then the rejection fails as of right, if, for no other reason, because it is based on subject matter that is not prior art to the present invention. In the previous response, Applicant pointed out that the provisional application, in fact, did not contain the same subject. Furthermore and in any event, the subject matter of Arora that the Office was relying on did not support the rejection anyway, even if it were prior art.

In the Response to Arguments section of this latest Office Action, the Office implicitly conceded that Arora itself was not prior art, but disagreed with Applicant, arguing that paragraphs 1-20 of the Arora provisional application, while not being verbatim, supported the rejection.

Applicant has reviewed paragraphs 1-20 of Arora again and respectfully traverses the Office's argument that they support the rejection or even that they contain vaguely similar disclosure to the portions of Arora that the Office is relying upon in its rejections. Furthermore, Applicant respectfully objects to the

Office's continued citation of portions of the Arora publication followed by vague assertions that the Arora provisional application discloses similar subject matter, rather than citing from the Arora provisional application itself. This practice makes it quite difficult for Applicant to address the rejection concisely and directly, since Applicant must (1) first review the cited portions of the Arora publication, then (2) figure out what the Office believes it to teach, then (3) review the Arora provisional application to determine whether it teaches the same subject matter, and, only then, (4) address whether the Office has correctly understood the Arora publication, (5) correctly determined that the Arora provisional application contains the same teachings, and (6) determine if the claims read on such teachings.

Hence, if the Office does not agree with Applicant's arguments herein that the preset claims patentably distinguish over the provisional application, Applicant respectfully requests the Office to withdraw the finality of this rejection and issue a new non-final rejection citing the Arora provisional application, if, for no other reason, because citing a reference that the Office concedes is not prior art and asserting that it is similar to the teachings of a reference that the Office contends is prior art is not a reasonable practice. It does not properly inform Applicant of the grounds for the rejection in a way that the Applicant can reasonablty be expected to reply to.

The Office should issue a new non-final Action referring to the provisional application rather than Arora.

II. The Arora Publication Does Not Teach That For Which It Has Been Cited

Turning to the substance of the rejection, the Office continues to rely on paragraphs 48 and 51 of Arora, which the Office asserts are, in turn, supported by paragraphs 1-20 of the Arora provisional application.

A. The Present Invention

The present invention is a method and apparatus for determining the tax location of a capitalized fixed asset. In particular, when a transaction concerning a particular asset is recorded, the transaction record is provided to the inventive tax location finder module. The tax location finder module runs through a hierarchical sequence of queries of the information assigned to the asset. In each query, the tax location finder module checks to determine if the data assigned to the asset meets a set of criteria that helps indicate a particular routine (or audit) that will probably be able to derive the tax location of the asset. Such criteria typically might comprise conditions that indicate the type of the asset (e.g., manufacturing equipment/real estate/furniture) and/or the nature of the asset's use (e.g., internal/customer-site/loaner/vendor-site) and/or the building, employee, or cost center to which the asset is assigned.

If the data associated with the asset meets the set of criteria for a particular audit, then that audit routine will be called. If the asset does not meet the query criteria for an audit, then it will continue on to the next sequential query until it encounters a query whose criteria it meets. When the asset meets the set of criteria for a particular audit, that audit is called. Each audit is customized to the asset or transaction qualities that caused it to meet the criteria for calling that audit so that the logic in that routine will likely be able to derive a location for that asset.

The called audit checks through the data in the transaction record and/or tables or databases to attempt to derive the location of the asset. If the audit routine discovers sufficient data to derive a tax jurisdiction code, then the derived tax jurisdiction code is passed back. If the audit could not successfully derive a tax location, the transaction record is sent to an error correction facility where it is manually researched and corrected.

One or more of the audit routines may be designed to return the record transaction back into the hierarchy of queries if the audit fails for certain reasons.

B. The Arora Publication

Arora discloses a very different system that does not meet the claim recitations that the Office asserts. Ignoring for the moment the issue of whether the Arora provisional application contains the same subject matter that the Office is relying on from the non-prior art Arora publication, the Arora publication discloses a system by which one can evaluate the business implications of the various ways a particular business transaction can be structured, including the tax implications. The example from Arora that the Office partoicualryl relies upon describes a situation in which a company with subsidiaries in California and Nevada can incur costs due to shared operations. The costs can be allocated, in varying degree, to either the California or Nevada subsidiary. In deciding how much cost to allocate a manager might realize tax advantages in California. However, another concern is that Nevada operational managers will have little incentive to conserve on costs if a large portion of the costs are being assigned to the California subsidiary. Arora's system can analyze data about the potential transaction and conduct essentially a cost/benefit analysis to help the business entity decide the best way to allocate the costs of the transaction.

C. Comparison of The Present Invention to The Arora Publication

All of the independent claims, claims 1, 8 and 19, of the present application recite relatively similar subject matter. Accordingly, Applicant with use claim 1 in the following discussion as an exemplary independent claim.

The Office is attempting to fit a square peg in a round hole by analogizing Arora to the present invention. The present invention is a method and apparatus for attempting to determine the location of an asset for purposes of tax and/or insurance reporting. Arora, on the other hand, is directed to what is essentially the inverse process of optimizing a potential, future business transaction by running a cost/benefit analysis of many factors, including tax implications, so that a business entity can determine the best way to structure a business transaction. It is essentially the Office's position that Arora's system that can be used by a

business entity to determine, among other things, where it might want to locate a physical asset for tax purposes based on a weighted cost/benefit analysis. This is essentially the inverse of reviewing the actual data for an asset to determine the actual tax location of the asset.

Based on the above, Applicant will assume that the Office recognizes that the present invention and Arora teach very different things, but that the issue is whether the claim language is sufficiently specific to distinguish over the very different Arora reference.

Applicant respectfully traverses insofar as the language of at least the independent claims clearly distinguishes over the prior art of record. Particularly, there are at least two flaws in the Office's analysis. First, the Office's position essentially is based on what it believes Arora can be used to do, rather than anything that is expressly disclosed in Arora. However, a rejection cannot be based on what Arora might be used to do, but must be based on what Arora actually discloses. Second, even if one were to accept the Office's improper interpretation of Arora, the independent claim language simply cannot be rationally read on it.

Turning first to the second issue, there are many flaws and inconsistencies in the Office's analysis. First, the Office asserts that step (1) of claim 1, i.e., "detecting when a capitalized fixed asset is involved in a transaction" reads on the fact that Arora's economic database 250 includes fixed assets to be included in the "what if/optimization scenario". The Office considers the what if/optimization scenario to be the "transaction". This is an untenable position. First, it is the Office's position that the Arora's what if/optimization process is itself the transaction.

The Office's proposed semantics are not reasonable. Particularly, even accepting for the sake of argument the Office's position that Arora's technique itself is the transaction, then Arora's what if/optimization transaction still would not comprise detecting a transaction. It would comprise initiating a transaction. As a simple example of the unreasonable nature of the Office's semantics, let us

consider the transaction being a leaf falling from a tree. No one would rationally argue that the leaf falling from the tree is the same thing as detecting the leaf falling from the tree. Yet this is essentially the Office's position with respect to step (1) of claim 1. In essence, it is the Office's position that doing something is the same thing as detecting something being done. This is not a reasonable position, as illustrated by the preceding example.

Turning to step (2) of claim 1, which recites "responsive to such detection in step (1), running data for said asset through a plurality of queries, each query designed to determine if said asset meets a criteria indicative of a category of how a location of said asset for tax and/or insurance reporting purposes may be determined". It is the Office's position that the certain data required by Arora qualifies as a "query".

Again, this is an untenable position. Essentially, the Office is saying that the data itself constitutes a query. This begs the question; If Arora's data is the query in step (2), then what in Arora is the data that is recited in step (2)? Particularly, step (2) recites "running data for said asset through a plurality of queries". Again, using a very simple example, the data might be the fact that the leaf is yellow. The query might be "Is the leaf red?" The data (yellow) and the query (is the leaf red?) clearly are not the same thing.

Furthermore and in any event, even further accepting for the sake of argument that the data itself is the query, the Office's position still is untenable. Step (2) of claim 1 recites that the query category is a category of "how a location of that asset may be determined". However, the Office's example of how the language of step (2) of claim 1 reads on Arora is that the jurisdiction tax laws in regulatory database 248 include the claimed "criteria" as to what is taxable and, therefore, the jurisdiction is the claimed "location" and the type of asset taxable is the claimed "category". Thus, the Office asserts that the "category" is the type of asset taxable. However, the type of asset taxable in a particular jurisdiction contains absolutely no information whatsoever as to how a location of the asset may be determined, which is what the claim requires the query to be.

Let us consider another simple example. The state of Nevada does not tax assets of the type “clothing”. Thus, substituting exemplary data into the Office’s example, the category (i.e., the type of asset taxable) is clothing; the jurisdiction is Nevada and the query/data is a pair of black pants. Thus, according to the claim, the pair of black pants (query/data) must be "designed to determine if said asset meets a set of jurisdiction tax laws (criteria) indicative of the type of asset taxable (category) of how a location of said asset... may be determined".

The flaw in the Office’s reasoning should be apparent. First, the data/query, (a pair of black pants) provides no information as to whether the asset meets a set of criteria indicative of the category of how a location of said asset may be determined. Secondly, simply reading the claim with the exemplary substitutions in accordance with the Office’s interpretation of claim language results in utter nonsense, let alone anything that concerns the location of an asset.

Turning to step (3) of claim 1, it recites “if, in step (2), said asset meets said criteria corresponding to one of said queries, running data corresponding to said asset for an audit customized to said corresponding category to determine the location of said asset for tax and/or insurance reporting purposes". The Office asserts that this reads on "if a fixed asset has an applicable tax law, it meets the criteria and the applicable tax calculation is the "audit".

Again there are many flaws in the Office’s analysis. First, the Office is asserting that the applicable tax calculation is the audit. However, step (3) does not recites that the audit determines the tax on the asset. Rather, it recites that the audit determines the location of the asset. Thus, using another very simple example, determining that the pair of black pants has a tax calculation of $0 in Nevada does not disclose whether those pants are in Nevada or California.

This, of course, should not be a surprise because Arora has nothing to do with determining the location of the pair of pants. At best, and Applicant even disagrees with this, it is the Office’s position that Arora may help the business

entity determined where it wants to put the pants. However, for all intents and purposes relevant to the present invention, where business entity wants to put the pants is essentially irrelevant. Merely as a simple example, once the business entity puts the pants in Nevada, then the present invention may be used to analyze data about the pants to determine the location of the pants for tax purposes, such data including the fact that the item is a pair of pants, the fact that it is in Nevada, and perhaps whether the pants comprise inventory or someone's personal property.

In very simple terms, the Office is comparing apples to oranges. Arora discloses a system for helping a business entity determine where it might want to locate an asset for tax purposes. The present invention does almost the exact inverse of this, i.e., after the transaction, it determines the tax location of the asset.

With respect to step (4) of claim 1, it recites "if, in step (3), a location is determined, assigning said determined location to said asset for tax and/or insurance reporting purposes". The Office asserts that step (4) reads on the decision of the business entity doing the “what if/optimization” process how it will assign the asset on their tax forms. While Applicant disagrees with this reading of the claim for all the reasons stated above in connection with steps (1) through (3) of claim 1, it particularly objects to this with respect to independent apparatus claim 8, which is a computer readable medium claim. According to the Office’s own description of Arora, this step is not executed by a computer. Accordingly, this step does not read on Arora, particularly with respect to independent claim 8.

With respect steps (5) and (6) of claim 1, they recite that an error notification is issued if a location is not determined in step (3) or if the data for the asset does not meet the criteria of any of the queries in step (2).

The Office concedes that Arora is silent with respect to error notification, but asserts that Lewis teaches a financial consolidation and communication platform in which the validation process teaches creating an error message in response to missing data in order that the situation be addressed by the

appropriate staff. The Office asserts that, it would have been obvious to modify Arora to incorporate an error notification when data was missing or not matching in order that the situation be addressed by the appropriate staff.

This proposed combination is improper for at least two reasons. First, the Office asserts that Lewis teaches creating an error message in response to missing data, but contends that it would be obvious to use the error notification of Lewis in Arora in response to data that is missing or not matching. However, by the Office's own admission, Lewis does not teach issuing an error notification when data does not match, but only when data is missing. Hence, the Office asserted notivation does not even correspond to the Office's asserted teaching of Lewis. Even more importantly, however, steps (5) and (6) do not recite issuing an error notification due to either missing data or non-matching data. Rather, steps (5) and (6) recite issuing an error notification if a location cannot be determined or a query cannot be identified. These are totally different criteria for issuing an error notification than the ones taught in Lewis. Accordingly, Lewis does not teach steps (5) and (6) of claim 1.

Furthermore and in any event, even if it did, the proposed combination is not suggested because the proposed combination makes no sense. Particularly, it would not make any sense to add the error notification as recited in steps (5) and (6) of claim 1 to Arora because there are no errors in Arora. As noted above, Arora does not pertain to discovering the tax location of an asset. Rather, it pertains to determining things that which would be helpful in deciding where to locate an asset. Thus, in the context of Arora, there are no errors that would require an error notification only different transaction scenerios, each with a different set of pros and cons.

Using another simple example, particularly, the one described in paragraph 4 of Arora itself, Arora determines the pros and cons of allocating the cost of shared operations between California and Nevada subsidiaries to help it determine how to allocate those costs. The output of Arora of various scenarios is essentially a cost-benefit analysis. Thus, for instance, the business entity may

decide to split the costs 60-40 or assign all the costs to Nevada or California. There is no error to be detected.

Accordingly, as previously noted, the Office is trying to fit a square peg into a round hole. While the Office has made a valiant effort based on some vaguely ostensible similarities between the present invention and Arora, it simply does not fit for the reasons set forth above.

Hence, claim 1 clearly patentably distinguishes over Arora.

Independent claim 8 is a computer readable medium claim containing essentially the same recitations discussed above in connection with claim 1 as well as the additional limitation that they are performed by a computer readable medium. Thus, independent claim 8 patentably distinguishes over Arora and Lewis for at least all of the same reasons as claim 1. Additionally, claim 8 even further distinguishes over the proposed combination because, as noted above, some of the steps that the Office is relying on in Arora are not performed by a computer readable medium.

Independent claim 19 is a computer system and means plus function claim containing essentially the same limitations discussed above in claims 1 and 8. Therefore, it also distinguishes over the prior art of record for least all of the same reasons discussed above in connection with claims 1 and 8.

All other claims depend either directly or indirectly from one of independent claims 1, 8, and 19. Therefore, they also patentably distinguish over prior art of record for least all of the reasons set forth above in connection with the independent claims from which they depend.

Conclusion

In view of the foregoing amendments and remarks, Applicant asserts that the pending claims are in condition for allowance and respectfully request that the Office issue a Notice of Allowance at the earliest possible date. The Office is invited to contact Applicant's undersigned counsel by telephone call in order to further the prosecution of this case in any way.

Respectfully submitted,

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